

Army Acquisition Reform Newsletter

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Army Acquisition Reform Web Site: <http://acqnet.sarda.army.mil/acqref/default.htm>
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CONTRACTOR INVOICES PAID WITH CREDIT CARD AT SMDC

The U.S. Army Space and Missile Defense Command (USASMDC) awarded a service contract for facility support of the High Energy Laser Systems Test Facility (HELSTF) to Tresco, Inc., a Javits-Wagner-O'Day (JWOD) Program contractor. By use of a credit card, payments to the contractor can be made every two weeks and the contractor does not incur "cash flow" difficulties. Without having to worry about borrowing to meet payroll obligations, the contractor can then concentrate on the human and performance aspects of the contract.

The contractor submits public vouchers, generally on a bi-weekly basis, together with payroll information and any necessary supporting documentation to the Contracting Officer's Technical Representative (COTR) on-site at HELSTF. Upon verification that amounts are correct for payment, the government Budget Technician swipes the special "VIP" credit card through the data card processor, which was provided by Tresco for use at HELSTF, and enters dollar amount verified for payment. Generally, within three (3) days, payment is electronically credited to the contractor's bank account.

Individual credit card payments have ranged from approximately \$10,000 to \$130,000, with average bi-weekly payments of approximately \$65,000.

The credit card was provided under the Government IMPAC program, but was specially coordinated with the banking institution so that verification prior to large-dollar charges is not required. This card is used only for payment of Tresco invoices. On a monthly basis, the Technician "proves out" the billing statement and submits accounting and appropriation data to the Defense Finance and Accounting Service (DFAS).

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